

MAR 21 2001

FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Audit Referral #00-09

Date Activated: February 27, 2001

EXPIRATION OF STATUTE
OF LIMITATIONS¹

STAFF MEMBER: Jamila I. Wyatt

SOURCE:

INTERNALLY GENERATED

RESPONDENTS:

Buchanan for President, Inc. and Angela
"Bay" Buchanan, as treasurer

RELEVANT STATUTES
AND REGULATIONS:

2 U.S.C. § 441a(a)(1)

2 U.S.C. § 441a(f)

2 U.S.C. § 441b

11 C.F.R. § 9038.6

INTERNAL REPORTS CHECKED: Audit Documents

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated from information obtained in the course of conducting the audit of Buchanan for President, Inc. ("the Committee") undertaken in accordance with 26 U.S.C. § 9038(a). Based on information obtained during audit fieldwork, the Audit staff identified stale-dated checks issued by the Committee totaling \$27,431. On January 14, 1999, in the context of the Audit Report, the Commission determined that

¹

Due to the significant Audit Division resources it would take to generate information regarding the original excessive contributions, and payments to corporations made by the Committee, the Office of General Counsel does not know the exact dates the excessive contributions and the prohibited contributions were received by the Committee. Therefore, the statute of limitations date for those violations cannot be ascertained.

RECEIVED
FEDERAL ELECTION
COMMISSION
MAR 21 2001

2001 MAR 21 10:13

this amount was payable to the United States Treasury. *See* Attachment 1, at 5.

However, the Committee has not made its \$27,431 payment to the United States Treasury.

II. FACTUAL AND LEGAL ANALYSIS

A. Law

It is unlawful for any national bank or corporation to make a contribution or expenditure in connection with any election to any political office. 2 U.S.C. § 441b(a).

A candidate is prohibited from accepting contributions from a national bank or corporation. *Id.* If a candidate receives a corporate contribution, it must make a full refund of the prohibited contribution. No person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

Contributions which on their face exceed the contribution limitations, and those which do not appear to be excessive on their face, but which exceed the contribution limits when aggregated with other contributions from the same contributor may be either deposited into a campaign depository or returned to the contributor. 11 C.F.R. § 103.3(b)(3). If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k), or 110.2(b), as appropriate. If a redesignation or

4352 "504" 40" 12
21 04 405 2534

retribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. *Id.*

If the payee on a refund check does not cash the check, a publicly-financed primary election committee is required to notify the Commission of the outstanding checks. 11 C.F.R. § 9038.6. Committees must inform the Commission of their efforts to locate the payees and their efforts to encourage the payees to cash the outstanding checks. 11 C.F.R. § 9038.6. Committees are required to pay an amount to the United States Treasury for the amount of the outstanding checks. 11 C.F.R. § 9038.6.

B. Background

In the context of the audit of the Committee, the Audit Division identified 243 stale-dated checks totaling \$27,431 that were issued by the Committee. Based on a review of a schedule of the Committee's stale-dated checks, 237 of the 243 checks represent refunds of excessive contributions.² The remaining checks include: two checks written to individuals without a notation that the payment was a refund of an excessive contribution; three checks of apparent refunds of corporate contributions or checks that were not negotiated by a corporate creditor; and two checks written to non-corporate entities. *See* Attachment 2.

In the context of the Audit, the Commission also determined that the Committee owed a repayment of \$44,791 to the United States Treasury. On March 16, 2000, following the administrative review of the repayment determination, the Commission

² In the context of the Committee audit, the Commission found that the Committee received \$15,163 in excessive cash contributions, however, the Commission determined not to require a payment with respect to this finding since the excessive portion of the contributions had been refunded, albeit untimely. Attachment 1, at 4.

reduced the initial \$44,791 repayment and determined that the Committee must repay \$29,328 to the United States Treasury.³ See Buchanan for President Statement of Reasons dated March 16, 2000. On April 12, 2000, the Committee submitted a check to the Commission for \$29,328 for full payment of the repayment determination. See Attachment 3. However, in a cover letter accompanying the check, the Committee acknowledged that the "payment is only for the repayment determination ... and does not address the Committee's obligation to make payment to the United States Treasury on the separate issue of stale-dated checks." Attachment 3, at 1. The Committee further stated that it would be submitting its payment for the stale-dated checks "in due course." *Id.*

Following the April 12, 2000 letter sent by the Committee, the Office of General Counsel sent letters to the Committee dated May 2, 2000 and May 30, 2000 reminding it of its obligation to make its payment for stale-dated checks.⁴ See Attachment 4 and 5. The Committee has not remitted the \$27,431 payment to the United States Treasury for stale-dated checks.

C. Analysis

Based on a schedule of the 243 stale-dated checks created by the Audit Division, approximately 97% of the stale-dated checks represent refunds of excessive contributions, and two checks were written to corporations. Attachment 2, at 1. The Committee admits

³ The bases for the Commission's repayment determination was the Committee's use of public funds to defray nonqualified campaign expenses pursuant to 11 C.F.R. § 9038.2(b)(2); and because the Committee failed to provide the Commission with adequate documentation of its disbursements in accordance with 11 C.F.R. § 9038.2(b)(3). However, the existence of stale-dated committee checks is not a basis for repayment under 11 C.F.R. § 9038.2(b), and is therefore not a proper subject of consideration at an administrative review. 11 C.F.R. § 9038.2(b).

it owes \$27,431 to the United States Treasury for stale-dated checks, however after repeated attempts by the Office of General Counsel to collect the debt, the Committee still has not remitted payment.

The Commission's regulations provide a remedy to committees when there are outstanding checks to creditors or contributors that have not been cashed by requiring the committee to pay to the United States Treasury the amount of the outstanding checks. 11 C.F.R. § 9038.6. If a payee fails to negotiate a check written by a committee for the purpose of refunding an excessive contribution, or remitting payment for services; the failure to negotiate the payment results in a contribution to the committee. *See* Explanation and Justification for 11 C.F.R. § 9038.6, 52 Fed. Reg. 20674 (June 3, 1987)(stating if a committee has made attempts to pay the funds and has been unsuccessful, the committee must remit a check payable to the U.S. Treasury for the amount outstanding, and using the funds could result in the committee's receipt of a prohibited or excessive contribution).

The Committee's failure to pay the United States Treasury an amount equal to the stale-dated checks results in the Committee maintaining excessive and prohibited contributions from the original payees. Since the Committee has maintained excessive and prohibited contributions, the Office of General Counsel recommends that the Commission find reason to believe that Buchanan for President, Inc., and Angela "Bay"

⁴

Prior to the Committee making its repayment, the Office of General Counsel submitted a letter to the Committee dated March 28, 2000 reminding the Committee that its repayment was due by April 24, 2000, and that the \$27,431 payment for stale-dated checks was also due. *See* Attachment 6.

Buchanan, as treasurer, received excessive contributions and prohibited contributions in violation of 2 U.S.C. § 441a(f) and 2 U.S.C. § 441b.⁵

III. DISCUSSION OF CONCILIATION

This Office recommends that the Commission enter into conciliation with Buchanan for President Committee, and Angela "Bay" Buchanan, as treasurer prior to a finding of probable cause to believe. *See* Attachment 7.


⁵ The Office of General Counsel does not recommend naming any of the individual contributors as respondents in this matter. It is Commission practice not to make a recommendation against an excessive contributor unless their contribution equals more than twice the contribution limit. None of the stale-dated checks were written for more than \$1,000, although it is not certain whether each of the 243 checks were written to different contributors. Nevertheless, the Office of General Counsel believes that the proper ordering of the Commission's resources and priorities does not warrant an investigation into whether any of the contributions were more than twice the contribution limit. Therefore this Office does not name any contributors as respondents in this matter.

21-04-405-345-33

IV. RECOMMENDATIONS

1. Open a MUR
2. Find reason to believe that the Buchanan for President Committee, Inc., and Angela "Bay" Buchanan, as treasurer received an excessive contribution in violation of 2 U.S.C. § 441a(f);
3. Find reason to believe that the Buchanan for President Committee, Inc., and Angela "Bay" Buchanan, as treasurer, received prohibited contributions in violation of 2 U.S.C. § 441b;
5. Approve the factual and legal analysis;
4. Approve proposed conciliation agreement; and
5. Approve the appropriate letters.

3/20/01
Date


Lois G. Lerner
Acting General Counsel

Attachments

1. Audit Report of the Buchanan for President Committee, Inc. dated January 14, 1999
2. Audit Division schedule of stale-dated checks
3. Letter from Buchanan for President Committee, Inc. dated April 12, 2000
4. Letter to the Buchanan for President Committee, Inc. from the Office of General Counsel dated May 2, 2000
5. Letter to the Buchanan for President Committee, Inc. from the Office of General Counsel dated May 30, 2000
6. Letter to the Buchanan for President Committee, Inc. from the Office of General Counsel dated March 28, 2000
7. Conciliation Agreement
8. Factual and Legal Analysis

0451 504 40 12
21 04 1405 2540

REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT, INC.

Approved January 14, 1999



FEDERAL ELECTION COMMISSION

999 E STREET, N.W.

WASHINGTON, D.C.

TABLE OF CONTENTS
BUCHANAN FOR PRESIDENT, INC.

	<u>PAGE</u>
Executive Summary	1
Audit Report	3
Background	3
Findings	4
Legal Analysis	27
Transmittal to Committee	33
Transmittal to Candidate	35
Chronology	37

2025-04-04 15:50:40

21-04-05 2542

ATTACHMENT

Page

3

of

40



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT, INC.**

EXECUTIVE SUMMARY

Buchanan for President, Inc. (the Committee) registered with the Federal Election Commission on February 16, 1995 as the principal campaign committee for Patrick J. Buchanan, a primary candidate for the Republican Party's nomination for the office of President of the United States.

The audit was conducted pursuant to 26 U.S.C. §9038(a), which requires the Federal Election Commission to audit committees authorized by candidates who receive Federal funds. The Committee received \$10,983,475 in matching funds from the United States Treasury.

The findings of the audit were presented in the Exit Conference Memorandum received by the Committee on May 8, 1998. The audit report includes the Committee's response to the findings.

Use Of Candidate's Funds In Excess Of The Limitation - 11 CFR §9035.2(a)(1) and (2). The Candidate loaned the Committee \$40,000 and made a direct contribution of \$1,000, in addition to using his personal credit card to pay for campaign related expenses, exceeding his \$50,000 contribution limitation by a minimum of \$50,374.

Apparent Prohibited Contributions Resulting From Extension Of Credit By Commercial Vendor - 2 U.S.C. §441b(a), 11CFR §100.7(a)(4), 11CFR §116.3(c). The Committee used Matching Funds, Inc. (MFI) to prepare and file matching funds submissions. MFI did not make commercially reasonable attempts to collect \$183,009 for services rendered, thereby making an apparent prohibited contribution to the Committee.

Disclosure Of Occupation/Name Of Employer - 2 U.S.C. §434(b)(3), 2 U.S.C. §431(13)(A), 2 U.S.C. §432(h)(2)(i). A sample review of the Committee's contributions resulted in a material error rate with respect to the disclosure of contributors' occupations and names of employer. The projected dollar value of the errors in the population was \$2,422,604. The Audit staff concluded that the Committee did not exercise best efforts to



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

***REPORT OF THE AUDIT DIVISION
ON
BUCHANAN FOR PRESIDENT, INC.***

I. BACKGROUND

A. AUDIT AUTHORITY

This report is based on an audit of Buchanan for President, Inc. (the Committee). The audit is mandated by Section 9038(a) of Title 26 of the United States Code. That section states that "After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9037". Also, Section 9039(b) of the United States Code and Section 9038.1(a)(2) of the Commission's Regulations state that the Commission may conduct other examinations and audits from time to time as it deems necessary.

In addition to examining the receipt and use of Federal funds, the audit seeks to determine if the campaign has materially complied with the limitations, prohibitions, and disclosure requirements of the Federal Election Campaign Act of 1971 (FECA), as amended.

B. AUDIT COVERAGE

The audit covered the period from the Committee's first bank transaction, January 11, 1995, through October 31, 1996. The Committee reported an opening cash balance of \$-0-; total receipts of \$31,012,597; total disbursements of \$31,018,963; and a closing cash balance of \$2,460.¹ In addition, a limited review of the Committee's records and disclosure reports filed through September 30, 1997 was conducted for purposes of determining the Committee's matching fund entitlement based on its financial position.

C. CAMPAIGN ORGANIZATION

The Committee maintains its headquarters in McLean, Virginia. The Treasurer is Mr. Scott B. Mackenzie.

¹ The reported figures do not foot due to various reporting errors. All figures are rounded to the nearest dollar amount.

The Committee registered with the Federal Election Commission on February 16, 1995 as the principal campaign committee for Patrick J. Buchanan, a primary candidate for the Republican Party's nomination for the office of President of the United States. During the period audited, the Committee maintained depositories in Virginia, District of Columbia, Arizona, Florida, Iowa, Louisiana, New Hampshire, South Carolina, and California. To handle its financial activity, the Committee utilized 23 bank accounts. During the audit period, the Committee made approximately 7,865 disbursements from these accounts and received approximately 472,200 contributions, totaling approximately \$15,122,000.

Mr. Buchanan was determined eligible to receive matching funds on May 31, 1995. The Committee made 19 requests for matching funds and received \$10,983,475 from the United States Treasury. This amount represents 71% of the \$15,455,000 maximum entitlement that any candidate could receive. For matching fund purposes, the Commission determined that Mr. Buchanan's candidacy ended on August 14, 1996, the date on which the Republican Party selected its nominee. On April 29, 1997, the Committee received its final matching fund payment to defray qualified campaign expenses and to help defray the cost of winding down the campaign.

D. AUDIT SCOPE AND PROCEDURES

In addition to a review of expenditures made by Buchanan for President, Inc. to determine if they were qualified or non-qualified campaign expenses (see Finding III.B.), the audit covered the following general categories:

1. The receipt of contributions from prohibited sources, such as those from corporations or labor organizations (see Finding II.B.);
2. the receipt of contributions or loans in excess of the statutory limitations (see Findings II.A. and III.A.);
3. proper disclosure of contributions from individuals, political committees and other entities, to include the itemization of contributions when required, as well as, the completeness and accuracy of the information disclosed (see Finding II.C.);
4. proper disclosure of disbursements including the itemization of disbursements when required, as well as, the completeness and accuracy of the information disclosed;
5. proper disclosure of campaign debts and obligations (see Finding II.B.);
6. the accuracy of total reported receipts, disbursements and cash balances as compared to campaign bank records;

2025 SEP 12

7. adequate recordkeeping for campaign transactions;
8. accuracy of the Statement of Net Outstanding Campaign Obligations filed by the Committee to disclose its financial condition and to establish continuing matching fund entitlement (see Finding III.D.);
9. the Committee's compliance with spending limitations; and,
10. other audit procedures that were deemed necessary in the situation (see Findings III.B., III.C. and III.E.).

As part of the Commission's standard audit process, an inventory of campaign records was conducted prior to the audit fieldwork. This inventory was conducted to determine if the Committee's records were materially complete and in an auditable state. Based on our review of records presented, it was concluded that the records, except disbursements, were materially complete and fieldwork began immediately on the contribution and bank reconciliation portions of the audit. The Committee materially complied with the Audit staff's request for additional records and the disbursements portion of the audit commenced.

With respect to disbursements, the records maintained by the Committee met the minimum recordkeeping requirements of 11 CFR §9033.11. However, the records did not contain sufficient information in every case to establish that the expenditure was incurred by or on behalf of the candidate or his authorized committee and made in connection with his campaign for nomination (see Finding III.B.).

During our testing of the Committee's disbursements, the Audit staff noted instances where the available documentation was a canceled check (with a notation as to purpose) to evidence payments to consultants and stipends to employees for living expenses. In addition, the Committee used an Expense Authorization Request (EAR)² created by the Committee's accounting staff to support these payments. The Audit staff noted that many of the EAR's did not contain an authorization signature. Also, the Committee did not (except in a few instances) establish contracts or have written employment agreements with its consultants or maintain written administrative policies to govern the payment of stipends to employees for living expenses.

The Audit staff was unable to verify the accuracy of information contained on the EAR or other memoranda because the Committee generated the documents and no documentation from the payees was available for review.

² Section 9033.11(b)(1)(ii)(B) of Title 11 of the Code of Federal Regulations provides for the use of a contemporaneous memorandum as an acceptable form of documentation. An EAR containing the payee's name and address, the amount, date and an adequate purpose or description of the disbursement meets the minimum documentation requirements.

It should be noted that the Commission may pursue further any of the matters discussed in this memorandum in an enforcement action. As set forth at Section 9038.2(f) of Title 11 of the Code of Federal Regulations, the Commission may make additional repayment determinations based on one or more of the bases for repayment set forth at Section 9038(b) of Title 26 of the United States Code and Section 9039.2(b) of Title 11 of the Code of Federal Regulations where there exist facts that were not used as the basis of any previous repayment determination.

The audit findings were discussed at a conference held at the end of audit fieldwork, January 29, 1998, and detailed in the Exit Conference Memorandum received by the Committee on May 8, 1998. At the Committee's request, an Exit Conference was not conducted.

II. AUDIT FINDINGS AND RECOMMENDATIONS — NON-REPAYMENT MATTERS

A. USE OF THE CANDIDATE'S FUNDS IN EXCESS OF THE LIMITATION

Section 9035.2(a)(1) of Title 11 of the Code of Federal Regulations states, in part, that no candidate who has accepted matching funds shall knowingly make expenditures from his or her personal funds, or funds of his or her immediate family, in connection with his or her campaign for nomination for election to the office of President which exceed \$50,000, in the aggregate. This section shall not operate to prohibit any member of the candidate's immediate family from contributing his or her personal funds to the candidate, subject to the limitations of 11 CFR part 110.

Section 9035.2(a)(2) of Title 11 of the Code of Federal Regulations states that expenditures made using a credit card for which the candidate is jointly or solely liable will count against the limits of this section to the extent that the full amount due, including any finance charge, is not paid by the committee within 60 days after the closing date of the billing statement on which the charges first appear. For purposes of this section, the *closing date* shall be the date indicated on the billing statement which serves as the cutoff date for determining which charges are included on that billing statement.

On January 12, 1995, the candidate made a loan in the amount of \$40,000 to the Committee; on March 31, 1995 the Committee received a \$1,000 contribution from the candidate in the form of a check. In addition, the candidate and his spouse, Shelley Buchanan, used an American Express credit card³ to pay for campaign related travel and subsistence. Credit charges totaling \$86.885 were paid directly to American Express Company by the Committee.

³ American Express account with separate cards available for the candidate and his spouse. The account is in the name of Patrick J. Buchanan.

8652 504 40 12

The Audit staff reviewed the credit card payments to American Express to determine compliance with the 60 day reimbursement requirement of 11 CFR §9035.2(a)(2). Of the total, charges totaling \$83,203, were not reimbursed within the time limits provided and this amount was applied to the limitation on use of personal funds by the candidate. The untimely payments were made from 67 to 342 days from the closing date of the billing statements. Based on initial calculations made during audit fieldwork, the largest amount by which the candidate exceeded the \$50,000 limitation was \$72,203 after applying a payment made on May 8, 1996.

There was no documentation available with which to review any American Express charges which may have been incurred after February 29, 1996. The Committee repaid the candidate \$38,000 on July 8, 1996 to liquidate the balance of the personal loan (\$40,000 less previous repayment of \$2,000 made on April 6, 1995) and reduced the amount exceeding the \$50,000 limitation to \$34,203.

The Audit staff's finding was discussed with the Committee at the conference held subsequent to the close of fieldwork and the Committee was provided with a detailed schedule.

In the Exit Conference Memorandum (the Memorandum), the Audit staff recommended that the Committee provide evidence that the candidate did not exceed the limitation on use of personal funds in connection with his campaign. Also, the Committee was requested to provide credit card statements and charge slips for the candidate's American Express account or any other credit card account used for the period of March 1, 1996 to August 14, 1996.

In response to the Memorandum, the Committee provided a list of expenses that were submitted for reimbursement. These expenses were apparently (1) incurred by the candidate and his spouse using the candidate's American Express card, (2) incurred by the candidate or his spouse unrelated to the use of the candidate's American Express card, or (3) charged to a Visa credit card account⁴. The list also included the candidate's loan and personal contribution to the Committee. These items were listed in chronological order by due date⁵ beginning with the \$40,000 loan. Amounts were added or subtracted, depending on the type of transaction, from a running contribution balance. The Committee acknowledged in its response that "the candidate may have exceeded the limitation." According to the list prepared by the Committee, the largest amount by which the candidate could have exceeded the limitation was \$57,672 on March 30, 1996.

⁴ The account is in the name of Patrick and Shelley Buchanan.

⁵ The due date listed for loans and contributions was the date received; for an expense reimbursement, the date of the reimbursement check; for expenses paid by cash, 30 days after incurrence; and for expenses charged to a credit card, 60 days from the credit card statement date.

The Committee's analysis is inaccurate because expenses and reimbursements not related to the candidate's limit were included and other expenses were duplicated. It should also be noted that the list provided by the Committee indicates that American Express charges were incurred subsequent to February 29, 1996. The Audit staff was not provided with the statements and charge slips for American Express charges incurred subsequent to February 29, 1996 or for any Visa credit card charges in order to verify the accuracy of the listed transactions and to determine if the expenses charged to the Visa credit card were applicable to the candidate⁶. If the transactions listed by the Committee, for which complete documentation has not been made available, all relate to the candidate's limitation - "worst case scenario" - the largest amount by which the limitation would have been exceeded is \$66,549.

Notwithstanding the above, for purposes of this report and based on our revised analysis of complete documentation currently available⁷, the largest amount by which the candidate exceeded the \$50,000 expenditure limitation at 2 U.S.C. §9035(a) is \$50,374. Credit card charges included in documentation presented by the Committee in response to finding III.B. of this report, (Apparent Non-Qualified Campaign Expenses) may impact on this amount. If transactions pertaining to the American Express and Visa credit cards for which complete documentation is not now available are later found to be applicable to the candidate's \$50,000 limit, adjustments will be necessary. These adjustments would likely occur in the event that the Commission addresses this issue in another context.

B. APPARENT PROHIBITED CONTRIBUTION RESULTING FROM EXTENSION OF CREDIT BY COMMERCIAL VENDOR

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office, and that it is unlawful for any candidate, political committee or any other person knowingly to accept or receive any contribution prohibited by this section.

Section 100.7(a)(4) of Title 11 of the Code of Federal Regulations states, in part, that the extension of credit by any person is a contribution unless the credit is extended in the ordinary course of the person's business and the terms are substantially

⁶ Because the Candidate was the sole holder on the American Express account, all charges, except charges unrelated to the campaign, made on this account are applicable to the candidate's limit. In the case of the jointly held Visa credit card, charges incurred by the candidate's spouse, solely related to her expenses would not be applicable to the candidate's limit. Conversely, charges incurred by the candidate using the Visa credit card for goods and services provided to the candidate irrespective of who signed the charge slip would be applicable.

⁷ This includes documentation available to the Audit staff at the time the Memorandum was forwarded to the Committee and information listed in the Committee's response in conjunction with collateral evidence in the Audit staff's possession.

2025-01-10 12:55:23

similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. If a creditor fails to make a commercially reasonable attempt to collect the debt, a contribution will result.

Section 116.3(c) of Title 11 of the Code of Federal Regulations states, in part, that in determining whether credit was extended in the ordinary course of business, the Commission will consider whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; received prompt payment in full if it previously extended credit to the same candidate or political committee; and the extension of credit conformed to the usual and normal practice in the commercial vendor's trade or business.

The Committee used Matching Funds, Inc. (MFI) to prepare and file all submissions for matching funds. Scott Mackenzie, Committee Treasurer, is a principal of MFI. As stated in the contract between the two parties, in return for its services MFI was to receive a fee equal to 10 percent of the "Match Rate"⁸ applied to the amount of matching funds received. Invoices were to be submitted on a monthly basis beginning January 1, 1996 and continuing until the termination of the contract. Invoices were to be paid from the matching funds received or within thirty (30) days.

The Committee received and reported matching funds of \$10,983,475 as result of 19 original submissions and 6 resubmissions. Using a fee factor of 7.05%⁹, the Audit staff calculated MFI's fee for its services at \$774,846. As of the conclusion of fieldwork, MFI had billed the Committee \$597,336, including a software fee of \$5,500, for matching fund submissions 1 through 8, leaving an uninvoiced balance of \$183,009 [(\$774,846 + \$5,500) - \$597,336]. The Committee made payments totaling \$586,510 through June 25, 1997 and reported an outstanding debt to MFI of \$10,826 on its Second Quarter 1997 disclosure report.

Based on the above information, it appeared the Committee still owed MFI a total of \$193,835 (\$183,009 + \$10,826) for its services. At the conference held at the conclusion of fieldwork, the Committee was provided with the Audit staff's calculations. Subsequently, the Committee provided additional invoices from MFI reflecting amounts due for submissions 9 through 16; no documentation was provided for submissions 17 through 19 and resubmissions 1 through 6. Matching funds were certified payable for these submissions monthly from May, 1996 through March, 1997. The Committee reported an outstanding debt to MFI of \$183,009 (which included the previous outstanding debt of \$10,826) on its Year-End 1997 disclosure report. This lack of action on the part of MFI to invoice and seek payment appears to represent an apparent

⁸ The "Match Rate" is equal to the matching funds received divided by the net individual contributions (individual contributions less refunds of individual contributions) for the particular submission.

⁹ Match rate of 70.55% (reported matching funds of \$10,983,475 / net contributions of \$15,569,128) times 10%.

prohibited contribution resulting from an extension of credit not within the ordinary course of business.

In the Memorandum, the Audit staff recommended that the Committee file an Amended Schedule D-P, Debts and Obligations excluding Loans, to report the correct indebtedness to MFI of \$193,835 as of year-end 1997. Also, it was recommended that the Committee provide evidence, to include but not be limited to, statements and invoices detailing all billings and efforts to collect indebtedness, explanations to demonstrate that the extension of credit was in the ordinary course of business, examples of other customers or clients of similar size and risk for which similar services had been provided and similar billing arrangements had been used, information concerning billing policies for similar clients and work, and debt collection policies to demonstrate that the Committee did not receive an apparent prohibited contribution of \$183,009; or absent such evidence provide documentation which demonstrates that MFI billed the Committee in a timely manner for the full amount due for its services and made a reasonable attempt to collect the debt.

In response to the Memorandum, the Committee filed an Amended Schedule D-P, Debts and Obligation excluding Loans, to report the correct indebtedness to MFI of \$193,835 as September 30, 1997. In its response the Committee stated that it:

"strongly disagrees that the facts presented in the Exit Memorandum evidence the receipt of a corporate contribution by the Committee. Political committees have never been deemed to receive contributions because they do not pay every vendor or employee in full on time. If committees did not acquire debts and obligations other than loans in the course of their activities, most of which are with corporations, no schedule of debts and obligations would be needed. MFI also requests that we state its strong objection to the suggestion that its actions constituted a corporate contribution to the Committee."

It is the opinion of the Audit staff the Committee's response failed to demonstrate that MFI made commercially reasonable attempts to collect payment from the Committee. Furthermore, the response did not present evidence that MFI's actions were in accordance with its own contractual terms. Therefore, pursuant to 11 CFR §100.7(a)(4), an apparent prohibited contribution in the amount of \$183,009 occurred.

C. DISCLOSURE OF OCCUPATION/NAME OF EMPLOYER

Section 434(b)(3)(A) of Title 2 of the United States Code requires a political committee to report the identification of each person (other than a political committee) who makes a contributions to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year.

Section 431(13)(A) of Title 2 of the United States Code defines the term "identification" to be, in the case of an individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

Section 432(h)(2)(i) of Title 2 of the United States Code states, in part, that when the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act, any report or any records of such committee shall be considered in compliance with this Act.

Section 104.7(b) of Title 11 of the Code of Federal Regulations states, in part, that the treasurer and the committee will be deemed to have exercised best efforts if all written solicitations for contributions include a clear request for the contributor's full name, mailing address, occupation and name of employer, and include the following statement: "Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year."

For each contribution received aggregating in excess of \$200 per calendar year which lacks required contributor information, the treasurer must make at least one effort after the receipt of the contribution to obtain the missing information. Such effort shall consist of either a written request sent to the contributor or an oral request to the contributor documented in writing. The written or oral request must be made no later than thirty (30) days after receipt of the contribution. The written or oral request must clearly ask for the missing information and shall not include material on any other subject or any additional solicitation, except that it may include language solely thanking the contributor for the contribution.

If any of the contributor information is received after the contribution has been disclosed on a regularly scheduled report, the political committee shall either file with its next regularly scheduled report, an amended memo Schedule A listing all contributions for which contributor identifications have been received during the reporting period together with the dates and amounts of the contribution(s) and an indication of the previous report(s) to which the memo Schedule A relates; or file on or before its next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contributions(s), which include the contributor identifications together with the dates and amounts of the contribution(s).

The Audit staff reviewed the Committee's contributions on a sample basis and noted a material error rate with respect to the disclosure of contributors' occupations and names of employer. The identified exceptions, when used to estimate the total dollar value of the errors in the population of \$4,175,127, resulted in a projected error amount of \$2,422,604. As part of the contribution sample review, the Audit staff requested a copy of the Committee's procedures to evidence its best efforts to obtain and report the missing information. Also, a similar request was made at the conference subsequent to the close of fieldwork. Although the Committee's fundraising guidelines indicated that

201-04-405-2553

solicitation devices should request the contributor's occupation and name of employer, our testing indicated that the Committee did not exercise best efforts to obtain and report the required information. Requests for additional information to qualify contributions for matching funds included a general request for the information, but evidence of attempts to obtain the information for other contributions was not provided. A review of the Committee's disclosure reports indicated that the Committee did not file amended schedules to disclose the contributor information when it was obtained. Therefore, the Committee has not demonstrated that it exercised best efforts to obtain, maintain and report the occupation and name of employer of contributors when required by the Act.

In the Memorandum, the Audit staff recommended that the Committee provide evidence to demonstrate that it exercised best efforts to obtain, maintain and report the required contributor information. Absent such a demonstration, the Audit staff recommended that the Committee contact all contributors for which no record was maintained or information request made and provide evidence of the contacts along with copies of responses to these requests, and file an Amended Schedule A-P (Itemized Contributions) as necessary.

According to the response, JVL Company contacted 2,699 donors by telephone whose aggregate annual contribution(s) was in excess of \$200 and whose file did not contain the required information. Occupation and name of employer information was obtained from 2,176 individuals (81%)¹⁰; for the remaining 523 contributors initially contacted who refused to provide the information, JVL sent each contributor a form and requested that he/she sign a statement declining the Committee's request for occupation and name of employer. Using the receipts database supplied by the Committee, the Audit staff identified 3,699 individuals¹¹ whose contributor record did not contain an occupation and name of employer. The reason for the variance with the number of individuals identified above by the Committee is unknown. On August 20, 1998 the Committee filed a miscellaneous document to supplement the public record.¹²

Based on our review of the submitted evidence, although the Committee's recent efforts to obtain the required occupation and name of employer information involved a significant undertaking, the Committee did not demonstrate that it exercised best efforts, since the information was requested well beyond the time specified. Nonetheless, the Committee should file amended Schedules A-P in the proper form to supplement the public record.

¹⁰ A list of the respondents was submitted which provided the contributor's name, address, occupation and name of employer.

¹¹ The Audit staff reviewed the contributor records of those individuals whose contributions aggregated over \$200 during calendar year 1995 and/or calendar year 1996.

¹² Although not filed timely with the response to the Memorandum, the Committee did file a listing of approximately 15,505 contributors which included occupation and name of employer information. This listing did not conform with the requirements for amendments at 11 CFR §104.7(b)(4)(i).

III. AUDIT FINDINGS AND RECOMMENDATIONS — AMOUNTS DUE TO THE U.S. TREASURY

A. RECEIPT OF CASH CONTRIBUTIONS IN EXCESS OF THE LIMITATION

Section 441g of Title 2 of the United States Code states that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal Office.

Section 110.4(c)(2) and (3) of Title 11 of the Code of Federal Regulations states, in part, that a candidate or committee receiving a cash contribution in excess of \$100 shall promptly return the amount over \$100 to the contributor. A candidate or committee receiving an anonymous cash contribution in excess of \$50 shall promptly dispose of the amount over \$50. The amount over \$50 may be used for any lawful purpose unrelated to any Federal election, campaign, or candidate.

The Audit staff reviewed currency contributions totaling \$262,429 and identified \$15,163 in apparent excessive cash contributions. Cash contributions totaling \$251,678 were received from identified contributors and \$10,751 from anonymous sources. The aforementioned excessive amount contains \$2,408 in contributions not refunded or disposed of, and \$12,755 in contributions not refunded/disposed of within 30 days of receipt. The number of days to refund the excessive contributions ranged from 33 to 279 days. Of the 438 untimely refunds, 167 or 38% of the refunds were made more than 60 days after the contributions were received.

The Audit staff's finding was discussed with the Committee at the conference held subsequent to the close of fieldwork and the Committee was provided with a detailed schedule of the apparent excessive cash contributions.

In the Memorandum, the Audit staff recommended that the Committee provide evidence that the cash contributions noted above are not excessive. Absent such evidence, the Audit staff would recommend that the Commission determine that the Committee make a payment to the U.S. Treasury in the amount of \$14,211¹³.

In response to the Memorandum, the Committee submitted a copy of an apparent contributor's check in the amount of \$90, deposited on September 27, 1995, and requested the total amount of cash contributions be reduced by that amount. The Committee's policy was to assign anonymous cash contributions to an account named "Sheldon P. Kuzowski." Although this contribution was made by check (the account holder's name was not imprinted or otherwise recorded legibly on the instrument), it was

¹³

Total excessive cash contributions of \$15,163 less \$952 previously paid to the U.S. Treasury.

assigned to the anonymous cash account because the Committee was unable to identify the contributor. In addition, the location of the bank upon which the check was drawn is not listed on the face of the instrument. Since the Committee has not provided any additional documentation to identify the contributor, the Audit staff continues to identify this contribution as anonymous and excessive in the amount of \$40.

In addition, the Committee's response to the Memorandum stated,

"...the Commission is without authority to require the Committee to pay to the Treasury money already refunded to the donor. The Commission's requirement that money be paid to the Treasury rather than refunded to the donors, where the identity of the donors is known, constitutes a "taking" in violation of the Fifth Amendment to the Constitution."

The Audit staff disagrees with the Committee's statement; the Explanation and Justification provided in support of Section 103.3(b)(1), (2) and (3) of Title 11 of the Code of Federal Regulations regarding disgorgement published in the Federal Register on June 16, 1995 (Vol. 60, No. 116) states:

"...Committees have 30 days from the date of receipt in which to refund prohibited contributions. A Committee's failure to take action on these contributions is a failure to cure contributions that are in violation of the FECA. The same is true of attempts to cure them outside of the specified time periods. Courts have upheld the use of disgorgement in cases involving securities violations 'as a method of forcing a defendant to give up the amount by which he was unjustly enriched' *SEC v. Tome*, 833 F.2d 1086, 1096 (2d Cir. 1987), citing *SEC v. Commonwealth Chemical Securities, Inc.*, 574 F.2d 90, 102 (2nd Cir. 1978). Requiring repayment to the Treasury for contributions that have been accepted in violation of 2 U.S.C. §§441a and 441b is consistent with this reasoning."

Also, the Committee's own actions are contrary to its statement. During the period June 25, 1996 through March 31, 1997, the Committee remitted \$13,429, including \$952 related to excessive currency¹⁴, to the U.S. Treasury representing prohibited contributions which were not refunded in a timely manner and the identity of the donors was known.

At the open session Commission meeting held on January 14, 1999, the Commission voted to reject Recommendation #1 wherein \$14,211 was recommended as payable to the U.S. Treasury, and instead determined not to require a payment in this case where the amount at issue had been refunded albeit untimely. The remainder (\$2,408) is immaterial.

¹⁴

See footnote 13.

21.04.405-2556

B. APPARENT NON-QUALIFIED CAMPAIGN EXPENSES

Section 9032(9) of Title 26 of the United States Code defines, in part, the term "qualified campaign expense" as a purchase or payment incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination, and neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

Section 9034.4(a)(1) of Title 11 of the Code of Federal Regulations states that all contributions received by an individual from the date he becomes a candidate and all matching payments received by the candidate shall be used only to defray qualified campaign expenses or to repay loans or otherwise restore funds (other than contributions which were received and expended to defray qualified campaign expenses) which were used to defray qualified campaign expenses.

Section 9034.4(a)(3) of Title 11 of the Code of Federal Regulations states, in part, that costs associated with the termination of political activity, such as the costs of complying with the post election requirements of the Act and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries and office supplies, shall be considered qualified campaign expenses.

Section 9034.4(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that any expenses incurred after a candidate's date of ineligibility under 11 CFR §9033.5, are not qualified campaign expenses except to the extent permitted under 11 CFR §9034.4(a)(3).

Section 9033.11(a) of Title 11 of the Code of Federal Regulations states, in part, that each candidate shall have the burden of proving that disbursements made by the candidate or his authorized committee(s) or persons authorized to make expenditures on behalf of the candidate or authorized committee(s) are qualified campaign expenses.

Section 9033.11(b) of Title 11 of the Code of Federal Regulations states, in part, that for disbursements in excess of \$200 to a payee, the candidate shall present a canceled check negotiated by the payee and either a receipted bill from the payee that states the purpose of the disbursement or a bill, invoice or voucher from the payee that states the purpose of the disbursement. Where the documents specified above are not available, the candidate or committee may provide a voucher or contemporaneous memorandum that states the purpose of the disbursement. Where the supporting documentation required above is not available, the candidate or committee may present collateral evidence to document the qualified campaign expense. Such collateral evidence may include, but is not limited to, evidence demonstrating that expenditure is

part of an identifiable program or project which is otherwise sufficiently documented or evidence that the disbursement is covered by a pre-established written campaign committee policy, such as a daily travel expense policy. If the purpose of the disbursement is not stated in the accompanying documentation, it must be indicated on the canceled check. *Purpose* means the full name and mailing address of the payee, the date and amount of the disbursement, and a brief description of the goods and services purchased.

Section 9038.2(a)(2) of Title 11 of the Code of Federal Regulations states that the Commission will notify the candidate of any repayment determinations made under this section as soon as possible, but no later than three years after the close of the matching fund period. The Commission's issuance of the audit report to the candidate under 11 CFR §9038.1(d) will constitute notification for purposes of this section.

Section 9038.2(b)(2)(i) and (iii) of Title 11 of the Code of Federal Regulations states, in part, that the Commission may determine that amounts of any payments made to a candidate from the matching payment account were used for purposes other than to defray qualified campaign expenses. The amount of any repayment under this section shall bear the same ratio to the total amount determined to have been used for non-qualified campaign expenses as the amount of matching funds certified to the candidate bears to total deposits, as of 90 days after the candidate's date of ineligibility.

The Committee provided the Audit staff with a database of its disbursements which covered the period from the Committee's inception through October 31, 1996. The Audit staff conducted a review of operating disbursements as identified from the database. In addition, disbursements made after the candidate's date of ineligibility (DOI) August 14, 1996 through February 28, 1997 were reviewed. These reviews resulted in the identification of payments to individuals and vendors that appeared to be non-qualified campaign expenses due to inadequate documentation, duplicate payments or non-campaign related nature, as categorized below:

1. Inadequate Documentation for Disbursements

The review of the Committee's operating disbursements resulted in a material error rate with respect to the adequacy of documentation to support numerous payments to individuals for travel and expense reimbursements as well as other payments. Undocumented disbursements totaling \$339,552 were identified. In the majority of instances, the only documents available for review were canceled checks lacking an adequate purpose statement and EAR's without authorizing signatures and adequate purpose statements. Listed purposes included "advance", "reimbursement", "expense advance", and "reimburse expenses" which are not sufficient to either document the expense as a qualified campaign expense or establish that the expense was incurred in connection with the candidate's campaign for nomination

The Audit staff's findings were discussed with the Committee at the conference held subsequent to the close of fieldwork and the Committee was provided with detailed schedules of the inadequately documented disbursements.

In the Memorandum, the Audit staff recommended that the Committee provide documentation, including but not limited to, receipted bills, invoices or vouchers from the payee that states the purpose of the disbursement or other collateral evidence to support these disbursements as qualified campaign expenses. Absent such evidence, the Audit staff would recommend that the Commission determine that the Committee make a pro rata repayment of \$139,804 ($\$339,552 \times .41173$)¹⁵ to the U.S. Treasury pursuant to 26 U.S.C. §9038(b)(2).

In response to the Memorandum, the Committee provided documentation, including receipted bills, invoices, vendor statements and other collateral evidence, to adequately document disbursements totaling \$280,707. Of the remaining \$58,845 in undocumented expenditures, the Committee submitted various statements from payees for disbursements totaling \$27,535. In our opinion these statements did not demonstrate that the disbursements were made in connection with the candidate's campaign for nomination. The Committee did not submit any additional documentation in support of the balance of the undocumented disbursements.

Recommendation #2

The Audit staff recommends that the Commission determine that \$24,228 ($\$58,845 \times .41173$) is repayable to the U.S. Treasury pursuant to 26 U.S.C. §9038(b)(2).

2. Payments to Vendors - JVL Company

The Committee paid JVL Company a total of \$1,787,744 for telemarketing services. In general, the method of payment used to compensate this vendor was "on account" and not by specific invoice. The Audit staff reconciled these payments to the available supporting documentation, which included canceled checks, vendor invoices and statements, and Committee EAR's. Vendor invoices were supplied to document payments totaling \$1,360,822. At the close of audit fieldwork, the only documentation to evidence the remaining payments of \$426,922 was an EAR dated June 30, 1996 in the amount of \$330,819 and the canceled checks.

This finding was discussed with the Committee at the conference held subsequent to the close of fieldwork and the Committee was provided with a detailed account reconciliation for disbursements to JVL Company.

¹⁵ This figure (.41173) represents the Committee's repayment ratio as calculated pursuant to 11 CFR §9038.2(b)(2)(iii).

21-04-105-2553

In the Memorandum, the Audit Staff recommended the Committee provide documentation, including but not limited to, receipted bills, invoices or vouchers from the payee or other collateral evidence to support these disbursements as qualified campaign expenses. Absent such documentation, the Audit staff would recommend that the Commission determine that the Committee make a pro rata repayment of \$175,777 (\$426,922 x .41173) to the U.S. Treasury pursuant to 26 U.S.C. §9038(b)(2).

In response to the Memorandum, the Committee submitted vendor invoices for telemarketing services and other information which sufficiently documented the amount at issue.

3. Duplicate Payments and Non-Campaign Related Disbursements

The Audit staff identified payments to individuals and vendors totaling \$51,343 that appeared to be either duplicate payments of qualified campaign expenses or non-campaign related disbursements.

The duplicate payments, totaling \$26,538, included the reimbursement of expenses to individuals totaling \$18,527 which the Committee had also paid directly to the vendor providing the goods or service and the duplicate reimbursement of travel and other expenses to individuals totaling \$8,011.

The non-campaign related disbursements, totaling \$24,805, included a payment of \$10,406 to William Channel on January 7, 1997; information provided indicated that damages were sustained to a recreational vehicle. The only documentation provided to support this expenditure were copies of appraisals and damage repair estimates. No other documentation (i.e., lease/rental agreement, rental cost/payment, damage/accident report) was made available to establish a connection between the use of the vehicle and the campaign.

Also, during the Audit staff's reconciliation of disbursements to West End Travel, the Committee's travel broker, we identified airline tickets totaling \$8,213 purchased for overseas travel during June 1996. The tickets were purchased for the candidate, his spouse and an aide. Documents available during audit fieldwork indicated that the travel was personal and not campaign related. No evidence was provided in response to our request to indicate that the Committee was reimbursed or received a credit from the vendor for this payment.

Further, payments totaling \$3,401 for printing, photography and video duplication services were questioned; documentation sufficient to establish that these expenditures were made in connection with the candidate's campaign for nomination was not made available during audit fieldwork.

2025 OCT 10 11:04 AM

Finally, an expense reimbursement was made to an individual which included \$2,650 for printing charges. Included with the documentation in the Committee's file was a copy of a register slip identified as a "POST TRANSACTION VOID" from the vendor which apparently voided the transaction. Thus, it appeared the individual was reimbursed for expenses for which the goods or services were not provided.

The Audit staff's findings were discussed with the Committee at the conference held subsequent to the close of fieldwork; the Committee was provided with detailed schedules of the apparent duplicate expenditures and non-campaign related disbursements.

In the Memorandum, the Audit staff recommended that the Committee provide documentation to demonstrate that the expenditures noted above are qualified campaign expenses or present evidence that the Committee has been reimbursed for these expenditures. Absent such evidence, the Audit staff would recommend that the Commission determine that the Committee make a pro rata repayment of \$21,139 (\$51,343 x .41173) to the U.S. Treasury pursuant to 26 U.S.C. §9038(b)(2).

In response to the matter involving duplicate payments outlined above, the Committee provided documentation previously reviewed by the Audit staff during fieldwork in an attempt to resolve one duplicate payment in the amount of \$99. The apparent duplicate payment occurred when the Committee paid/reimbursed both a credit card company and an individual for what appeared to be the same expense; the Committee submitted a copy of a credit card statement but no information related to the payment to the individual. Therefore, duplicate payments totaling \$26,538 remain unresolved.

In response to the non-campaign related travel, the Committee submitted an affidavit, with a copy of an itinerary/invoice for \$8,213, from West End Travel. In the affidavit, the vendor stated that the Buchanan's personal trip to Paris/London was paid by personal check and "the ticket numbers shown were not charged to the Buchanan for President American Express credit card nor paid for by the campaign." In the Audit staff's opinion, this additional documentation, although helpful, does not fully document the transaction as requested. The cost of the tickets was listed on West End Travel's June 1996 statement for the Committee's account. The September 1996 statement indicated that all but \$852 of the cost of these tickets had been paid. The Committee did not provide any additional evidence in the form of a copy of the canceled check or account statement detailing the payment (other than by campaign funds) for this travel.

The information submitted relative to the \$2,650 reimbursement for goods or services apparently not provided, consisted of a hand written statement from an individual. This individual, who apparently works at a similar business in Virginia (the transaction in question occurred at a business in Georgia) attempted to explain how

the transaction was processed. No information was provided from the individual who requested reimbursement or from the business which actually processed the transaction.

Also in its response to the Memorandum, the Committee provided additional documentation which resolved \$1,401 (of the \$3,401) in expenses questioned above.

In summary, based on our review of the information provided by the Committee, the amount of duplicate payments to individuals and/or vendors remains unchanged and non-campaign related disbursements is reduced to \$23,405.

Recommendation #3

The Audit staff recommends that the Commission determine that \$20,563 $[(\$26,538 + \$23,405) \times .41173]$ is repayable to the U.S. Treasury pursuant to 26 U.S.C. §9038(b)(2).

C. PRESS BILLINGS FOR TRANSPORTATION COSTS

Section 9034.6 (a) of Title 11 of the Code of Federal Regulations states, in part, that expenditures by an authorized committee for transportation, ground services and facilities (including air travel, ground transportation, housing, meals, telephone service, and typewriters) made available to media personnel, Secret Service personnel or national security staff, will be considered qualified campaign expenses. The committee may seek reimbursement for these expenses. Part (b) of this section states that the total amount of reimbursement sought from a media representative under this section shall not exceed 110% of the pro rata cost of the transportation and services made available to that media representative. A media representative's pro rata share shall be calculated by dividing the total actual cost of the transportation and services provided by the total number of individuals to whom such transportation and services are made available. For purposes of the calculation, the total number of individuals shall include committee staff, media personnel, Secret Service personnel, national security staff and any other individuals to whom such transportation and services are made available, except that, when seeking reimbursement for transportation costs paid by the committee under 11 CFR §9034.7(b)(5)(i)(C), the total number of individuals shall not include national security staff.

Part (c) of this section continues that the committee may deduct from the amount of expenditures subject to the overall expenditure limitation of 11 CFR §9035.1(a) the amount of reimbursements received in payment for the transportation and services described in (a) of this section, up to the actual cost of transportation and services provided. The committee may also deduct from the overall expenditure limitation an additional amount of reimbursements received equal to 3% of the actual cost of transportation and services provided under this section as the administrative cost to the committee of providing such services and seeking reimbursement for them. For the

purposes of this section, "administrative costs" shall include all costs incurred by the committee for making travel arrangements and for seeking reimbursements, whether performed by committee staff or independent contractors. If the committee has incurred higher administrative costs in providing these services, the committee must document the total cost incurred for such services in order to deduct a higher amount of reimbursements received from the overall limitation.

Finally, part (d)(1) and (2) of this section states, in part, that if the committee receives reimbursements in excess of the amount deductible under paragraph (c) of this section, it shall dispose of the excess amount in the following manner:

- any reimbursement received in excess of 110% of the actual pro rata cost of the transportation and services made available to a media representative shall be returned to the media representative.
- any amount in excess of the amount deductible under paragraph (c) of this section that is not required to be returned to the media representative under paragraph (d)(1) of this section shall be repaid to the Treasury.¹⁶

The Committee used Charter Services Inc. (CSI) to arrange its aircraft charters. CSI arranged 26 flight legs, including chartered aircraft, catering services and passenger facility charges, for the Committee between February 20, 1996 and March 25, 1996. In addition, the Committee, through various vendors, arranged for 5 charter bus tours between February 22, 1996 and March 25, 1996.

For our review, the Committee provided copies of flight/bus manifests, schedules which detailed the Committee's calculation of the cost per flight/bus leg and invoices from CSI. In addition, the Committee provided its reconciliation of the flight/bus costs which was used to bill and collect payments from the press personnel. Documentation to support administrative costs in excess of 3% was not provided by the Committee during audit fieldwork.

Using the documentation provided by the Committee, the Audit staff determined the total cost per flight/bus leg, number of passengers per leg and cost per seat. The documented cost to transport the press personnel, as calculated by the Audit Staff, totaled \$257,393 (\$232,728 for aircraft charters and \$24,665 for bus charters). The documented cost plus a 3% administrative cost allowance was \$265,115 and the documented cost plus a 10% allowable mark-up was \$283,133. The Committee received reimbursements totaling \$304,609 from the press. This indicates that the Committee has collected \$21,476 (\$304,609 less \$283,133) in excess of the amount it was allowed to

¹⁶ As published in the *Federal Register* (Vol. 56, No. 145) in support of the provisions contained in 11 CFR §9034.6(d), this amount is the amount between 103 percent and 110 percent of the actual cost, unless a higher administrative cost is documented.

collect from the press. The Committee's calculated cost to transport the press on aircraft charters was higher than the cost calculated by the Audit staff (\$246,020 compared to \$232,728); the Audit staff did not recognize undocumented ground costs in its calculation.

As previously cited, the Committee may deduct from the overall limitation the amount of reimbursements received in payment for the actual cost of transportation and services made available to the press plus an amount equal to 3% of the cost as an administrative cost to the Committee for providing such transportation and services. A larger administrative allowance, not to exceed 10%, may be taken only if the Committee provides sufficient documentation to support that the excess amounts were actually incurred. Since additional documentation was lacking to support the larger administrative allowance, \$18,018 [\$283,133 (cost plus 10%) less \$265,115 (cost plus 3%)] in reimbursements was received in excess of costs documented by the Audit staff; absent documentation to demonstrate additional transportation, ground or administrative costs, this \$18,018 is payable to the U.S. Treasury.

A refund of \$21,476 to the press would also be necessary, unless additional costs could be documented.

The Audit staff's findings were discussed with the Committee at the conference held subsequent at the close of fieldwork and the Committee was provided with detailed schedules, including the Audit staff's calculation of amounts, apparently due the press and the U.S. Treasury.

In the Memorandum, the Audit staff recommended that the Committee provide documentation to support the ground costs billed to the press and additional administrative costs, if any, in excess of the allowed 3% of actual cost of transportation and services provided to the press. Absent such evidence, the Audit staff would recommend that the Commission determine that the Committee refund \$21,476 to the press and make a repayment of \$18,018 to the U.S. Treasury pursuant to 11 CFR §9034.6.

In response to the Memorandum, the Committee submitted documentation to support additional transportation, ground service and facility costs totaling \$20,973. As result of these additional expenses, the documented cost of providing transportation and related services for press personnel increased to \$278,366 (\$240,941 for aircraft charters and \$37,245 for bus charters). Also, the Committee submitted documentation and other collateral evidence to support actual administrative expenses of \$26,783 which the Committee incurred to provide these services.

Based on our review of the documented costs, the Committee did not receive reimbursements from the press in excess of the actual costs of transportation and services provided, and allowable administrative costs. Therefore, no refund to the press or repayment to the U.S. Treasury is required.

D. DETERMINATION OF NET OUTSTANDING CAMPAIGN OBLIGATIONS

Section 9034.5(a) of Title 11 of the Code of Federal Regulations requires that within 15 calendar days after the candidate's date of ineligibility, the candidate shall submit a statement of net outstanding campaign obligations which reflects the total of all outstanding obligations for qualified campaign expenses, plus estimated necessary winding down costs.

In addition, Section 9034.1(b) of Title 11 of the Code of Federal Regulations states, in part, that if on the date of ineligibility a candidate has net outstanding campaign obligations as defined under 11 CFR §9034.5, that candidate may continue to receive matching payments provided that on the date of payment there are remaining net outstanding campaign obligations.

Mr. Buchanan's date of ineligibility was August 14, 1996. The Audit staff reviewed the Committee's financial activity through February 28, 1997, reviewed disclosure reports through September 30, 1997, analyzed winding down costs, and prepared the Statement of Net Outstanding Campaign Obligations which appears below.

BUCHANAN FOR PRESIDENT, INC.
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
 As of August 14, 1996
 As Determined September 30, 1997

ASSETS

Cash in Bank	\$ 209,653 (a)	
Accounts Receivable	206,436 (b)	
Capital Assets (60% of cost)	<u>92,685</u>	
Total Assets		\$ 508,774

OBLIGATIONS

Accounts Payable for Qualified Campaign Expenses:		
Outstanding at 2/28/97	\$ 540,573	
Paid 8/15/96 - 2/28/97	2,549,133 (c)	
Winding Down Costs Paid 3/1/97 - 9/30/97	332,045 (d)	
Estimated Winding Down Costs 10/1/97 - 12/31/98	420,500 (e)	
Amount Payable to U. S. Treasury:		
State-Dated Checks	27,431	
Total Obligations		<u>3,869,682</u>

Net Outstanding Campaign Obligations	<u>(\$3,360,908)</u>
---	-----------------------------

FOOTNOTES TO NOCO

- (a) Includes contributions totaling \$70,764 dated prior to but deposited after DOI and an adjustment for outstanding state-dated checks totaling \$22,335 issued prior to DOI and considered payable to the U.S. Treasury.
- (b) Includes a deposit of \$68,000 to Bell Atlantic which was listed by the Committee at \$20,000.
- (c) Includes actual winding down costs of \$1,019,488; excludes non-qualified campaign expenses of \$12,541 paid post DOI. (see Finding III.B.3.)
- (d) Unaudited, based on review of Committee's disclosure reports.
- (e) Audit staff estimate based on review of disclosure reports and Committee estimates.

Committee obligation exists. Absent such evidence, the Audit staff would recommend that the Commission determine that \$27,431 is payable to the U.S. Treasury.

In response to the Memorandum, the Committee submitted a listing of checks totaling \$1,541, stating that these checks were never issued by the Committee and were not promptly voided from the campaign operating account check register. The Committee requested that the amount of stale-dated checks be reduced to reflect the checks written but not issued.

In the Audit staff's opinion, the evidence submitted by the Committee is insufficient. Neither did the Committee provide copies of the checks to evidence that they had, in fact, been voided nor evidence from the payee that no obligation existed.

Recommendation #4

The Audit staff recommends that the Commission determine that the total amount of stale-dated checks (\$27,431) is payable to the U.S. Treasury pursuant to 11 CFR §9038.6.

VI. SUMMARY OF AMOUNTS DUE TO THE U.S. TREASURY

Finding III.B.	Apparent Non-Qualified Campaign Expenses	44,791
Finding III.E.	Stale-Dated Committee Checks	<u>27,431</u>
	Total	<u><u>\$72,222</u></u>

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of State-Dated Checks

Period Ending 12/31/97

(Subject)

①	②	③	④	⑤	⑥
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1015	1653	04/08/1996	Whelan, Bill	\$314.60	1310
10-1015	2014	05/10/1996	Gateway Catering, Inc.	\$480.00	1278
10-1015	347	05/17/1996	American Protectionist, Inc.	\$39.00	1271
10-1015	373	06/11/1996	Republican Party of Texas	\$300.00	1246
10-1015	2124	06/13/1996	Swank Audio Visual	\$76.93	1244
10-1015	2279	08/01/1996	Buchanan, Angela "Bay"	\$325.00	1195
10-1025	102	01/01/1996	Contribution Refund	\$30.00	1408
10-1025	103	01/01/1996	Contribution Refund	\$200.00	1408
10-1025	104	01/01/1996	Contribution Refund	\$25.00	1408
10-1025	105	01/01/1996	Contribution Refund	\$600.00	1408
10-1025	107	01/01/1996	Contribution Refund	\$100.00	1408
10-1025	108	01/01/1996	Contribution Refund	\$130.00	1408
10-1025	110	01/01/1996	Contribution Refund	\$20.00	1408
10-1025	111	01/01/1996	Contribution Refund	\$60.00	1408
10-1025	112	01/01/1996	Contribution Refund	\$90.00	1408
10-1025	113	01/01/1996	Contribution Refund	\$130.00	1408
10-1025	115	01/01/1996	Contribution Refund	\$150.00	1408
10-1025	116	01/01/1996	Contribution Refund	\$100.00	1408
10-1025	117	01/01/1996	Contribution Refund	\$80.00	1408
10-1025	120	01/01/1996	Contribution Refund	\$100.00	1408
10-1025	122	01/01/1996	Contribution Refund	\$10.00	1408
10-1025	123	01/01/1996	Contribution Refund	\$100.00	1408
10-1025	125	01/01/1996	Contribution Refund	\$150.00	1408
10-1025	126	01/01/1996	Contribution Refund	\$200.00	1408
10-1025	127	01/01/1996	Contribution Refund	\$120.00	1408
10-1025	128	01/01/1996	Contribution Refund	\$120.00	1408
10-1025	130	01/01/1996	Contribution Refund	\$400.00	1408
10-1025	133	01/01/1996	Contribution Refund	\$50.00	1408
10-1025	134	01/01/1996	Contribution Refund	\$71.00	1408
10-1025	136	01/01/1996	Contribution Refund	\$78.00	1408
10-1025	139	01/01/1996	Contribution Refund	\$50.00	1408
10-1025	140	01/01/1996	Contribution Refund	\$50.00	1408
10-1025	142	01/01/1996	Contribution Refund	\$20.00	1408
10-1025	143	01/01/1996	Contribution Refund	\$40.00	1408
10-1025	144	01/01/1996	Contribution Refund	\$20.00	1408
10-1025	146	01/01/1996	Contribution Refund	\$100.00	1408
10-1025	147	01/01/1996	Contribution Refund	\$50.00	1408
10-1025	148	01/01/1996	Contribution Refund	\$150.00	1408
10-1025	150	01/01/1996	Contribution Refund	\$60.00	1408
10-1025	151	01/01/1996	Contribution Refund	\$40.00	1408

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of State-Dated Checks

Period Ending 12/31/97

(Subject)

(1)	(2)	(3)	(4)	(5)	(6)
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1025	267	02/18/1996	Contribution Refund	\$20.00	1360
10-1025	277	02/25/1996	Contribution Refund	\$100.00	1353
10-1025	278	02/26/1996	Contribution Refund	\$20.00	1352
10-1025	281	02/27/1996	Contribution Refund	\$50.00	1351
10-1025	282	02/27/1996	Contribution Refund	\$225.00	1351
10-1025	297	03/01/1996	Contribution Refund	\$25.00	1348
10-1025	307	03/01/1996	Contribution Refund	\$50.00	1348
10-1025	308	03/01/1996	Contribution Refund	\$10.00	1348
10-1025	309	03/01/1996	Contribution Refund	\$10.00	1348
10-1025	310	03/01/1996	Contribution Refund	\$25.00	1348
10-1025	313	03/01/1996	Contribution Refund	\$150.00	1348
10-1025	322	03/01/1996	Contribution Refund	\$50.00	1348
10-1025	323	03/01/1996	Contribution Refund	\$100.00	1348
10-1025	325	03/01/1996	Contribution Refund	\$25.00	1348
10-1025	330	03/01/1996	Contribution Refund	\$10.00	1348
10-1025	333	03/01/1996	Contribution Refund	\$100.00	1348
10-1025	337	03/01/1996	Contribution Refund	\$100.00	1348
10-1025	339	03/01/1996	Contribution Refund	\$110.00	1348
10-1025	340	03/01/1996	Contribution Refund	\$300.00	1348
10-1025	345	03/09/1996	Contribution Refund	\$20.00	1340
10-1025	346	03/09/1996	Contribution Refund	\$250.00	1340
10-1025	351	03/13/1996	Contribution Refund	\$20.00	1336
10-1025	376	03/20/1996	Contribution Refund	\$15.00	1329
10-1025	379	03/20/1996	Contribution Refund	\$20.00	1329
10-1025	385	03/20/1996	Contribution Refund	\$75.00	1329
10-1025	395	03/21/1996	Contribution Refund	\$50.00	1328
10-1025	400	03/23/1996	Contribution Refund	\$50.00	1326
10-1025	403	03/27/1996	Contribution Refund	\$25.00	1322
10-1025	409	03/27/1996	Contribution Refund	\$10.00	1322
10-1025	410	03/28/1996	Contribution Refund	\$10.00	1321
10-1025	411	03/28/1996	Contribution Refund	\$100.00	1321
10-1025	415	03/28/1996	Contribution Refund	\$50.00	1321
10-1025	417	04/01/1996	Contribution Refund	\$25.00	1317
10-1025	421	04/01/1996	Contribution Refund	\$50.00	1317
10-1025	423	04/01/1996	Contribution Refund	\$100.00	1317
10-1025	425	04/01/1996	Contribution Refund	\$100.00	1317
10-1025	428	04/01/1996	Contribution Refund	\$40.00	1317
10-1025	430	04/01/1996	Contribution Refund	\$50.00	1317
10-1025	433	04/01/1996	Contribution Refund	\$25.00	1317
10-1025	437	04/01/1996	Contribution Refund	\$50.00	1317

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of Stale-Dated Checks

Period Ending 12/31/97

(Subject)

(1)	(2)	(3)	(4)	(5)	(6)
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1025	438	04/01/1996	Contribution Refund	\$50.00	1317
10-1025	444	04/01/1996	Contribution Refund	\$20.00	1317
10-1025	447	04/01/1996	Contribution Refund	\$150.00	1317
10-1025	462	04/01/1996	Contribution Refund	\$40.00	1317
10-1025	473	04/01/1996	Contribution Refund	\$125.00	1317
10-1025	485	04/01/1996	Contribution Refund	\$100.00	1317
10-1025	488	04/01/1996	Contribution Refund	\$60.00	1317
10-1025	493	04/01/1996	Contribution Refund	\$15.00	1317
10-1025	495	04/01/1996	Contribution Refund	\$100.00	1317
10-1025	496	04/01/1996	Contribution Refund	\$150.00	1317
10-1025	502	04/01/1996	Contribution Refund	\$20.00	1317
10-1025	504	04/01/1996	Contribution Refund	\$14.95	1317
10-1025	516	04/06/1996	Contribution Refund	\$20.00	1312
10-1025	521	04/07/1996	Contribution Refund	\$120.00	1311
10-1025	522	04/07/1996	Contribution Refund	\$75.00	1311
10-1025	524	04/07/1996	Contribution Refund	\$50.00	1311
10-1025	525	04/10/1996	Contribution Refund	\$20.00	1308
10-1025	526	04/10/1996	Contribution Refund	\$30.00	1308
10-1025	527	04/10/1996	Contribution Refund	\$125.00	1308
10-1025	528	04/10/1996	Contribution Refund	\$100.00	1308
10-1025	529	04/10/1996	Contribution Refund	\$500.00	1308
10-1025	531	04/10/1996	Contribution Refund	\$1,000.00	1308
10-1025	539	04/14/1996	Contribution Refund	\$10.00	1304
10-1025	546	04/17/1996	Contribution Refund	\$200.00	1301
10-1025	547	04/17/1996	Contribution Refund	\$50.00	1301
10-1025	549	04/17/1996	Contribution Refund	\$50.00	1301
10-1025	551	04/18/1996	Contribution Refund	\$100.00	1300
10-1025	552	04/18/1996	Contribution Refund	\$100.00	1300
10-1025	558	04/21/1996	Contribution Refund	\$100.00	1297
10-1025	559	04/22/1996	Contribution Refund	\$200.00	1296
10-1025	571	04/25/1996	Contribution Refund	\$200.00	1293
10-1025	575	04/26/1996	Contribution Refund	\$500.00	1292
10-1025	583	04/27/1996	Contribution Refund	\$123.00	1291
10-1025	585	04/27/1996	Contribution Refund	\$1,000.00	1291
10-1025	605	05/01/1996	Contribution Refund	\$250.00	1287
10-1025	607	05/01/1996	Contribution Refund	\$50.00	1287
10-1025	613	05/01/1996	Contribution Refund	\$50.00	1287
10-1025	614	05/01/1996	Contribution Refund	\$50.00	1287
10-1025	615	05/01/1996	Contribution Refund	\$25.00	1287
10-1025	617	05/01/1996	Contribution Refund	\$50.00	1287

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of State-Dated Checks

Period Ending 12/31/97

(Subject)

(1)	(2)	(3)	(4)	(5)	(6)
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1025	631	05/01/1996	Contribution Refund	\$50.00	1287
10-1025	636	05/01/1996	Contribution Refund	\$20.00	1287
10-1025	642	05/01/1996	Contribution Refund	\$20.00	1287
10-1025	649	05/01/1996	Contribution Refund	\$46.00	1287
10-1025	665	05/02/1996	Contribution Refund	\$250.00	1286
10-1025	685	05/12/1996	Contribution Refund	\$100.00	1276
10-1025	687	05/12/1996	Contribution Refund	\$100.00	1276
10-1025	692	05/14/1996	Contribution Refund	\$100.00	1274
10-1025	722	05/23/1996	Contribution Refund	\$100.00	1265
10-1025	735	06/01/1996	Contribution Refund	\$28.00	1256
10-1025	737	06/01/1996	Contribution Refund	\$50.00	1256
10-1025	752	06/08/1996	Contribution Refund	\$25.00	1249
10-1025	754	06/08/1996	Contribution Refund	\$15.00	1249
10-1025	769	06/08/1996	Contribution Refund	\$25.00	1249
10-1025	770	06/08/1996	Contribution Refund	\$100.00	1249
10-1025	805	06/24/1996	Contribution Refund	\$200.00	1233
10-1025	806	06/24/1996	Contribution Refund	\$100.00	1233
10-1025	811	06/25/1996	Contribution Refund	\$20.00	1232
10-1025	815	07/01/1996	Contribution Refund	\$50.00	1226
10-1025	848	07/08/1996	Contribution Refund	\$20.00	1219
10-1025	852	07/11/1996	Contribution Refund	\$10.00	1216
10-1025	861	07/12/1996	Contribution Refund	\$250.00	1215
10-1025	869	07/15/1996	Contribution Refund	\$250.00	1212
10-1025	870	07/15/1996	Contribution Refund	\$150.00	1212
10-1025	875	07/18/1996	Contribution Refund	\$34.00	1209
10-1025	881	07/21/1996	Contribution Refund	\$20.00	1206
10-1025	884	07/22/1996	Contribution Refund	\$20.00	1205
10-1025	888	07/26/1996	Contribution Refund	\$25.00	1201
10-1025	890	07/28/1996	Contribution Refund	\$400.00	1199
10-1025	896	07/31/1996	Contribution Refund	\$30.00	1196
10-1025	897	08/01/1996	Contribution Refund	\$100.00	1195
10-1025	899	08/01/1996	Contribution Refund	\$25.00	1195
10-1025	907	08/03/1996	Contribution Refund	\$40.00	1193
10-1025	912	08/04/1996	Contribution Refund	\$20.00	1192
10-1025	917	08/05/1996	Contribution Refund	\$25.00	1191
10-1025	924	08/08/1996	Contribution Refund	\$225.00	1188
10-1025	931	08/08/1996	Contribution Refund	\$25.00	1188
10-1025	932	08/08/1996	Contribution Refund	\$20.00	1188
10-1025	934	08/08/1996	Contribution Refund	\$10.00	1188
10-1025	953	08/31/1996	Contribution Refund	\$35.00	1165

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of Stale-Dated Checks

Period Ending 12/31/97

(Subject)

①	②	③	④	⑤	⑥
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1025	957	09/06/1996	Contribution Refund	\$50.00	1159
10-1025	958	09/06/1996	Contribution Refund	\$76.03	1159
10-1025	966	09/13/1996	Contribution Refund	\$200.00	1152
10-1025	967	09/13/1996	Contribution Refund	\$105.00	1152
10-1025	968	09/13/1996	Contribution Refund	\$30.00	1152
10-1025	970	09/15/1996	Contribution Refund	\$10.00	1150
10-1025	971	09/16/1996	Contribution Refund	\$40.00	1149
10-1025	972	09/16/1996	Contribution Refund	\$15.00	1149
10-1025	974	09/20/1996	Contribution Refund	\$10.00	1145
10-1025	975	09/20/1996	Contribution Refund	\$29.00	1145
10-1025	982	09/24/1996	Contribution Refund	\$10.00	1141
10-1025	983	09/27/1996	Contribution Refund	\$20.00	1138
10-1025	986	09/27/1996	Contribution Refund	\$200.00	1138
10-1025	990	09/28/1996	Contribution Refund	\$10.00	1137
10-1025	992	09/29/1996	Contribution Refund	\$20.00	1136
10-1025	998	09/29/1996	Contribution Refund	\$40.00	1136
10-1025	1003	09/30/1996	Contribution Refund	\$20.00	1135
10-1025	1021	10/07/1996	Contribution Refund	\$50.00	1128
10-1025	1025	10/10/1996	Contribution Refund	\$20.00	1125
10-1025	1031	10/10/1996	Contribution Refund	\$510.00	1125
10-1025	1041	10/12/1996	Contribution Refund	\$15.00	1123
10-1025	1048	10/13/1996	Contribution Refund	\$300.00	1122
10-1025	1052	10/13/1996	Contribution Refund	\$10.00	1122
10-1025	1062	10/17/1996	Contribution Refund	\$100.00	1118
10-1025	1080	10/21/1996	Contribution Refund	\$20.00	1114
10-1025	1087	10/24/1996	Contribution Refund	\$1,000.00	1111
10-1025	1089	10/28/1996	Contribution Refund	\$100.00	1107
10-1025	1097	11/01/1996	Contribution Refund	\$100.00	1103
10-1025	1112	11/15/1996	Contribution Refund	\$10.00	1089
10-1025	1117	11/17/1996	Contribution Refund	\$200.00	1087
10-1025	1118	11/18/1996	Contribution Refund	\$300.00	1086
10-1025	1123	11/21/1996	Contribution Refund	\$10.00	1083
10-1025	1125	11/21/1996	Contribution Refund	\$95.00	1083
10-1025	1133	11/28/1996	Contribution Refund	\$30.00	1076
10-1025	1141	12/13/1996	Contribution Refund	\$10.00	1061
10-1025	1160	12/28/1996	Contribution Refund	\$20.00	1046
10-1025	1175	01/04/1997	Contribution Refund	\$10.00	1039
10-1025	1181	01/16/1997	Contribution Refund	\$20.00	1027
10-1025	1189	01/31/1997	Contribution Refund	\$10.00	1012
10-1025	1208	02/07/1997	Contribution Refund	\$35.00	1005

Federal Election Commission
Audit Division (11/09/1999)

Buchanan for President, Inc.

(Assignment)

Schedule of Stale-Dated Checks

Period Ending 12/31/97

(Subject)

①	②	③	④	⑤	⑥
ACCT. ID.	NO.	DATE	PAYEE	AMOUNT	DAYS O/S
10-1025	1210	02/14/1997	Contribution Refund	\$75.00	998
10-1025	1213	02/14/1997	Contribution Refund	\$25.00	998
10-1025	1215	02/14/1997	Contribution Refund	\$20.00	998
10-1025	1216	02/14/1997	Contribution Refund	\$50.00	998
10-1025	1224	02/15/1997	Contribution Refund	\$1,000.00	997
10-1025	1226	02/17/1997	Contribution Refund	\$10.00	995
10-1025	1227	02/17/1997	Contribution Refund	\$10.00	995
10-1025	1238	02/27/1997	Contribution Refund	\$15.00	985
10-1025	1240	02/27/1997	Contribution Refund	\$50.00	985
					0
					0
Totals				\$27,430.51	

21-04-405-2375



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *KCS*

DATE: March 21, 2001

SUBJECT: Audit Referral 00-09-First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

SENSITIVE

☒

NON-SENSITIVE

☐

72 Hour TALLY VOTE ☒

24 Hour TALLY VOTE ☐

24 Hour NO OBJECTION ☐

INFORMATION ☐

96 Hour TALLY VOTE ☐

DISTRIBUTION

COMPLIANCE

☒

Open/Closed Letters ☐

MUR ☐

DSP ☐

STATUS SHEETS ☐

Enforcement ☐

Litigation ☐

PFESP ☐

RATING SHEETS ☐

AUDIT MATTERS ☐

LITIGATION ☐

ADVISORY OPINIONS ☐

REGULATIONS ☐

OTHER ☐



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Lois Lerner
Acting General Counsel

FROM: Mary W. Dove/Lisa R. Davis
Office of the Commission Secretary

DATE: March 26, 2001

SUBJECT: Audit Referral #00-09 - First General Counsel's Report
dated March 20, 2001.

The above-captioned document was circulated to the Commission
on Wednesday, March 21, 2001.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

Commissioner Mason	<u>XXX</u>
Commissioner McDonald	—
Commissioner Sandstrom	—
Commissioner Smith	—
Commissioner Thomas	—
Commissioner Wold	<u>XXX</u>

This matter will be placed on the meeting agenda for
Tuesday, April 3, 2001.

Please notify us who will represent your Division before the Commission on this
matter.